

1 CHAIR JAMES: John?

2 DR. SHOSKY: Thank you, Madam Chair. The next topic
3 that we are taking up, in terms of the chapter, is pathological
4 gambling.

5 And, as you know, this is a chapter where a lot of the
6 research data that we have contracted would be relevant.
7 Integrating that material into this chapter, I believe, would be
8 central to the chapter's importance.

9 And, therefore, what I would like to do is talk about
10 two or three things that are on our radar scope with the chapter.

11 Once we have explained the scope and the results of the
12 various studies that were introduced, one topic that will be
13 important will be treatment. As you know, when you were the
14 Deputy Drug Czar, treatment is a very tough issue. It is easy to
15 talk about, but finding good models of treatment, and to
16 recognize that the individual circumstances of each person who
17 needs treatment is tough.

18 And we have searched high and low for as much
19 information as we can get on treatment, in order to be able to
20 identify programs that seem to work.

21 As well there is the issue about support for research
22 and treatment, and what role various locus of government might
23 play in terms of funding various treatment programs, and in terms
24 of generating research that could be utilized by those treatment
25 dollars.

26 The third issue that is important is to look at various
27 private sector and industry efforts. There is a lot going on,
28 and I think in part because of the inquiries of this Commission,
29 and there is just so much happening so fast, that it is important
30 that we give full due to all of the efforts that people are

1 making, and to identify any of those efforts that we think are
2 particularly good ideas for perhaps wider scope.

3 With that in mind I think that the outline is
4 self-explanatory. There are, of course, methodological issues
5 like definitions, and things like that. But I would presume that
6 you want to talk about more policy relevant items, and I will
7 just conclude my opening comments with that note.

8 CHAIR JAMES: Do you have a question?

9 COMMISSIONER MCCARTHY: Well, I want to make one
10 comment. I had an additional conversation with the folks from
11 the National Council on Tribal Gambling. As you may remember I
12 had asked them a couple of months ago to try to collect a lot of
13 relevant data on treatment programs that exist in all of the
14 states, and they are doing that, and they assured me that in
15 about a week they will have it in the final detailed report, so
16 that will be an excellent resource for us, not only on the number
17 of dollars allocated, the source of the dollars, whether it is
18 taxing the industry, or from the general fund, or wherever it may
19 be, but how the money is funneled, who are the end users of the
20 money that fund the programs, so that we can make some judgement
21 on the overall efficiency of the program, and how many people are
22 really being treated.

23 So that kind of information will be in, in about a
24 week, and I think we will find it very useful.

25 COMMISSIONER BIBLE: And that will be comprehensive,
26 state by state?

27 COMMISSIONER MCCARTHY: Yes, that would cover all
28 states.

29 COMMISSIONER BIBLE: So it will be both voluntary
30 expenditures and governmental expenditures?

1 COMMISSIONER MCCARTHY: Voluntary expenditures, while
2 we have a list of --

3 COMMISSIONER BIBLE: I'm thinking of funding for --

4 COMMISSIONER MCCARTHY: -- voluntary expenditures from
5 the AGA regarding money given to hot lines, and a couple of other
6 functions. No, I think what the National Council is doing, and
7 maybe they are adding this, but all I asked them to do was to
8 come up with everything that each state is doing.

9 So we, you know, we can certainly correlate the other
10 information that --

11 COMMISSIONER BIBLE: Well, in some cases like Delaware,
12 I believe, they get a portion of the revenues. In other cases
13 they -- I just wanted to understand what we were going to get,
14 and it sounds like government --

15 COMMISSIONER MCCARTHY: From the National Council it is
16 the state programs that are going to be detailed. Are you also
17 adding involuntary contributions?

18 (Unmiked audience comment.)

19 COMMISSIONER BIBLE: All funding, and then you are
20 going to show all the outgoes, if it goes to treatment, if it
21 goes to hot lines, if it goes to fund the Council, and that sort
22 of thing? That would be pretty helpful.

23 CHAIR JAMES: Jim?

24 COMMISSIONER DOBSON: A principle that I think is
25 important for us is that, first of all, I think you are hinting
26 at this Leo, or addressing, is that a specified percent of
27 revenues by whatever mechanism that come to the gambling industry
28 should be allocated for the two big areas.

1 One is treatment and prevention of problem gambling,
2 and the other one is research. But I think that the disbursement
3 of those funds needs to be done separate from the industry.

4 If you remember Chris Anderson who testified from the
5 Illinois Council on compulsive gambling, about his own
6 experience, and how he was supported by the gambling industry,
7 and his work was paid for in that way. And when he became
8 critical of the industry, first he was warned not to be so vocal,
9 and secondly the funds were withdrawn.

10 And it seems to me that money ought to be allocated for
11 those two purposes, and it ought to come through the health
12 department, it ought to come through some other state agency, or
13 some other avenue to get that money to the places where it could
14 be done appropriately.

15 COMMISSIONER MCCARTHY: There is also another principle
16 involved here. While we applaud the generosity of a limited
17 number of companies, gambling corporations who are actually
18 contributing this money, there are many other members of the
19 gambling industry, and various sectors, I'm not limiting this to
20 casinos, now, but to other forms of gambling, and let's emphasize
21 state lotteries themselves, who are not contributing to research
22 or treatment.

23 COMMISSIONER DOBSON: Yes, all forms.

24 COMMISSIONER MCCARTHY: So we want to have a very clear
25 picture of all of that.

26 COMMISSIONER DOBSON: Right, I agree, but especially
27 with regard to research, I know that the gambling industry has
28 supported the lottery research, and some of it is very
29 commendable, it still casts some kind of doubt on this, on the

1 results where there is so much at stake by those who pay the
2 bills.

3 And whoever pays the bills, you know, calls the tune in
4 most cases, and I think that ought to be one step removed.

5 COMMISSIONER MCCARTHY: I should also add, Madam Chair,
6 that I have asked the folks at the National Council on Problem
7 Gambling to please include specific information on education
8 programs that really should be, you know, that are a necessary
9 antecedent to people beginning to take treatment even seriously,
10 the raising of public consciousness in appropriate and
11 proportionate ways about the prevalence issues.

12 And they are doing that as well, they are going to get
13 us that information.

14 CHAIR JAMES: John?

15 COMMISSIONER WILHELM: Richard, you have commented a
16 number of times, at least, about the economic impact, that one of
17 the problems that I, I might try to relate this to the
18 pathological gambling research, but in the economic impact issue
19 I have heard you comment, more than once in our meetings, that
20 one of the problems is there is no money around for this kind of
21 work.

22 And I gather that there is a comparable kind of
23 shortage of money compared to the need on the pathological
24 gambling side. I can readily understand the skepticism, as Jim
25 points out, that would accompany research related to gambling
26 problems that is directly funded by any part of the industry.

27 What is your view, Richard, first about -- because I
28 think this relates to the work you do professionally, what is
29 your view, first, about the utility or legitimacy of vehicles

1 like the Responsible Gaming Foundation, which is sort of, you
2 know, partially separated from the industry itself?

3 And, secondly, what is your view of the appropriate
4 kinds of vehicles for research in this area?

5 COMMISSIONER LEONE: Well, first let me -- I think this
6 is the first time I have ever said this. I applaud what the
7 American Gaming Association, and with the well-capitalized people
8 in the gambling business have done in this area.

9 They have, whether it is in light of self-interest,
10 and I presume this is a big part of it, what impresses me is that
11 on pathological gambling side, when I compare them to states, or
12 tribal governments, or the foundations I talked to about
13 supporting research in this area, or people like universities, I
14 think what they have done is commendable, and important.

15 They have been the only ones doing a lot of this stuff
16 until this Commission came along, and we should, you know --
17 inevitably, however, what somebody does that is paid for by
18 industry is going to be considered -- as a matter of fact they
19 worked pretty hard to keep a distance on pathological gambling,
20 but -- and I think they have done, I commend that.

21 I think, on the other hand, that to use an example that
22 points this up, there is a limit to what you can expect from
23 people who have an obligation to their shareholders, and there is
24 a limit to what you can expect from enlightened self-interest,
25 and I think that even becomes more obvious, not when you are
26 dealing with the medical problems associated with the minority of
27 gamblers, but when you are dealing with the big perception
28 problem associated with whether something is an economic
29 windfall, where the wealth is not that big a deal. But forget
30 even where there is a negative.

1 We are talking about a state making a deal with -- Ohio
2 making a deal with Honda to put a plant there, or talking with
3 Mercedes. You know, you can't expect the players in the company,
4 or the governors, or the others, coming out and saying, you know
5 when we really take a sharp pencil to this, and we look at all
6 the infrastructure we are going to have to put in, and a variety
7 of other things, it is not that good a deal for Kentucky, or
8 Ohio.

9 And I think it is unrealistic to expect the industry,
10 and it turns out to be unrealistic to expect the states to say,
11 well we should make another exception for gambling in this area,
12 and we should have it at the racetrack, or something, but when we
13 do those numbers, and we look at all the economic impacts, and we
14 try to put a number on the downside, it is not a big deal for us.

15 The only way that is going to happen is with the kind
16 of research money that comes out of big institutes, foundations,
17 maybe the federal government.

18 I mean, I'm astonished that there is -- I can't find an
19 example of a state government, even under one particular
20 governor, who has taken the lead in looking at spending what is,
21 you know, this is changing the sofa for a state government, or
22 for a foundation, or something, a rounding error. They spend two
23 million dollars trying to look at what the real economic impact
24 is, and to get a better handle on some of the pathological
25 gambling costs.

26 COMMISSIONER WILHELM: Presumably the state
27 universities that would be qualified --

28 COMMISSIONER LEONE: But you can't -- my original point
29 about that is, this is true of a variety of things, which are
30 interesting questions. I mean, if you are a young faculty

1 member, and you want to make a career, and you want to get
2 tenure, and you want to write papers, we want to know, what are
3 people putting money out to look at.

4 And when I started this I was amazed to learn that
5 there is just not a lot of money spent on gambling research. I
6 have a lot of top flight people that say, that is interesting,
7 how does it impact on savings and debt, I wonder how you quantify
8 these things.

9 I mean, these are people that don't see it as an evil,
10 they see it as a good, you know, it stimulates demand, more
11 economic activity.

12 But finding anybody who -- we have had some people
13 testify before us, and I don't want to be overly critical of
14 their work, it is just not a field.

15 COMMISSIONER DOBSON: Richard, I have been told that
16 from inside academia that gambling research does not occur for
17 two reasons. One is that there is no money for it, and secondly
18 there is almost no interest in it, academically, which absolutely
19 amazes me.

20 And yet academic interest tends to follow opportunity,
21 and there must be money funneled into the credible institutions
22 for this purpose.

23 COMMISSIONER LEONE: Yes. So I think we should
24 recognize and commend what the industry has done, to the extent
25 it has done it in that area, but we should be realistic about the
26 rest of it, and I think, again, these are questions to the
27 government, we should maybe address some language to the non-
28 profit who pour tens of millions of dollars into research on
29 various topics.

1 And as far as I can tell don't spend much at all in
2 this area.

3 CHAIR JAMES: I think we have identified one area which
4 is research, and particularly into what works and what doesn't
5 work in terms of treatment. What else do you want to say in this
6 chapter?

7 COMMISSIONER MCCARTHY: We will have a good deal more
8 at least a week in advance of the April 26th meeting.

9 CHAIR JAMES: We will have more research, we will have
10 more data, we will have more information. What other kinds of
11 things interest you?

12 COMMISSIONER BIBLE: On that question, where are we in
13 terms of getting the final copies of all these various documents?
14 Every time I see the Federal Express guy I think I'm going to get
15 another NORC report to read, and I'm getting tired of reading the
16 same document.

17 I know we have asked Dr. Kelly for their cross-tabs,
18 which were promised to be here yesterday, but I don't see them,
19 but they may be here, I don't know.

20 CHAIR JAMES: I just sent a memo to our executive
21 director asking exactly that question, and directing him to get
22 from Doug the grid that we had very early on, which was the
23 status of all the research, when it is due, when it is going to
24 be. Not only the research, but our contracts, as well, because
25 we are coming down to the wire.

26 COMMISSIONER LEONE: Terry stressed legal action if he
27 didn't get the --

28 COMMISSIONER BIBLE: But I presume the Committee has
29 run through the major components that are out there , and give us
30 some sense as to when we are going to see them?

1 MR. SEAY: If I could, Madam Chair, take one contractor
2 at a time. The final Cook and Clotfelter report is in, and that
3 was --

4 CHAIR JAMES: Jim, is that turned on?

5 MR. SEAY: How is that?

6 CHAIR JAMES: Yes, that is better.

7 MR. SEAY: Madam Chair, let me just run through the
8 contractors one by one. Of course you have the final report from
9 Cook and Clotfelter, which came out last week, that is done. You
10 also have the final NORC report which was FedEx'd to you,
11 including the insert which I handed out, you just need to replace
12 one of the pages, there was an error in that, that is now done.

13 COMMISSIONER BIBLE: Okay, and they are going to have a
14 substantial number of appendices that they are going to --

15 MR. SEAY: Yes, sir. The appendices, which are on
16 their way, even as we speak, and you are right, they arrived late
17 last night, they came in, should be here shortly, and I will
18 distribute those, and that will be the final work for their
19 appendices.

20 However, NORC is also going to do some work for us on
21 the casinos questionnaires, and I believe --

22 COMMISSIONER MCCARTHY: A couple of days.

23 MR. SEAY: -- I think next week, I will double check --

24 COMMISSIONER MCCARTHY: Yes, that is Friday and Monday.

25 MR. SEAY: We also have the convenience questionnaires
26 that just went out, we will have some other data coming back from
27 those, and NORC will be helping us crush some of those data, as
28 well.

1 The NRC report, of course, is final and you have a copy
2 of that. So their work is completed. And ACIR we are struggling
3 with.

4 COMMISSIONER BIBLE: Well, their work will be complete
5 and incomplete?

6 MR. SEAY: Something like that. Their electronic data
7 base is due next month, the profile of contrasting the industry
8 with the Indian casinos is -- so in a nutshell ACIR is the one
9 that is sort of hanging out there. We don't have their data, we
10 do have the data from all the rest, with the exception of the
11 casino questionnaire.

12 CHAIR JAMES: Did you do all the contractors?

13 MR. SEAY: I believe the Rose Report, of course, is in.
14 I believe that is all of them.

15 COMMISSIONER DOBSON: Another recommendation. In fact,
16 you will be pleased to know there are only two this time. In
17 fact the first one I would really defer to you in terms of
18 information.

19 But it is my understanding that several states, I don't
20 know which one, but I know Missouri is one of them, have a
21 self-exclusion policy whereby an individual can register with a
22 casino and in so doing indicate that he or she does not want to
23 be admitted to the casino premises. It is an individual who
24 knows he or she has a gambling problem, and is saying in his more
25 rational moments don't allow me to do this, I'm signing this, and
26 obviously it is a document that --

27 COMMISSIONER BIBLE: In Missouri's case you are
28 consenting, I believe, to your personal arrest. They are the
29 only ones that have a self-exclusionary law, that I'm aware of,
30 of that nature. I think they considered it, and they may have

1 adopted it in Iowa. We took a look at it briefly in Nevada, and
2 just because of the dispersion, and the number of casinos it
3 would be very, very difficult to enforce.

4 So we put a little bit different spin on it and adopted
5 a variation that allows an individual to take themselves off
6 mailing lists, and credit lists, and solicitations, and things
7 like that.

8 There is some various iterations out there of those
9 kinds of programs. Missouri, I remember, being a fairly tough
10 program to administer if you have a lot of gaming availability,
11 but I think it has had some success.

12 I think the testimony I heard, and I heard it maybe six
13 months ago, they had around 100 or 125 individuals who had asked
14 to be voluntarily self- excluded from casino premises.

15 AUDIENCE MEMBER: Actually I think the number has gone
16 up to 700, and Louisiana has a ban law, as well. I don't know
17 what the consequences are, but it is the same arrest charge for
18 trespassing.

19 CHAIR JAMES: What are you suggesting, Jim?

20 COMMISSIONER DOBSON: I'm suggesting that, obviously,
21 it is not an area I know an awful lot about, but I like the idea
22 of a person being able to get help with those tendencies to --

23 COMMISSIONER BIBLE: And I have some personal
24 experience in the area, because I would from time to time get
25 calls from individuals that are having problems with gambling,
26 and I can remember one individual who used to call me, and in his
27 more rational moments would indicate that he did not want to be
28 within a casino, who would send letters to licensees, don't give
29 me credit, if I show up there, exclude me from the premise.

1 He would show up sometimes reasonably intoxicated,
2 sometimes grossly intoxicated. The casino would either refuse to
3 extend him the credit, or attempt to exclude him from the
4 premises. And he would absolutely threaten litigation, it was a
5 very, very unpleasant -- then the next day he would feel somewhat
6 differently, and in some cases he would go talk to a lawyer and
7 say, I told them to do this. I mean, he was just absolutely
8 irrational.

9 At least my personal experience is that some of these
10 individuals are a little bit on the rocks. Some of them clearly
11 have problems, and do the appropriate thing, and I think that
12 would be the case in Missouri, I was not aware that Louisiana had
13 adopted that.

14 COMMISSIONER DOBSON: One of the larger casinos that we
15 visited had equipment, computer equipment that was described to
16 us, two or three of us when we were there that would match the
17 image of a person coming through the door with a computer image
18 of that individual, it would alert the management of his or her
19 presence.

20 Is that common, is that just in the larger casinos, or
21 --

22 COMMISSIONER BIBLE: I'm not aware of that kind of a --
23 there may be some -- I'm aware that there may be some way of
24 tracking, readable to a proximity reader. So if you have photo
25 tracking card in your pocket, and you walk into a casino, it is
26 going to say Jim Dobson is on our premises, and start tracking
27 you.

28 I'm not aware --

29 CHAIR JAMES: Is that why they gave you that cute
30 little card?

1 COMMISSIONER BIBLE: -- or anybody down in Las Vegas.

2 COMMISSIONER DOBSON: This also happens to have been in
3 the Taj Mahal when we visited there, and we went into security
4 afterwards, they showed me my own image, and how that would be
5 stored in the computer.

6 COMMISSIONER MCCARTHY: Was it ten feet tall?

7 COMMISSIONER DOBSON: Again, I don't know if that kind
8 of equipment is available.

9 COMMISSIONER BIBLE: I don't think that is generally
10 available, no. The technology is out there, the technology is
11 out there to do an awful lot of things that aren't being done.
12 It is limited by resources of the casinos. Some casinos are
13 going to have the latest gizmos, and others are not going to have
14 any.

15 CHAIR JAMES: You know it is afternoon, and there is a
16 lot for us to talk about, and I'm going to start honing on all
17 these chapters, so that we can get through.

18 COMMISSIONER DOBSON: I thought we were doing that.

19 CHAIR JAMES: Do what?

20 COMMISSIONER DOBSON: I will read it to you. All
21 forms of gambling should be required to have self-exclusion the
22 violation of which would be subject to severe disciplinary action
23 against the establishment.

24 CHAIR JAMES: Now, that one we can talk about.

25 COMMISSIONER MCCARTHY: Let me just say that I'm
26 delighted to hear that in Missouri 700 people are now on that
27 list, it is a little progress. And I think if the recommendation
28 is in the strongest terms possible, such as Bill Bible was
29 articulating here a moment ago, that it is enforceable, that it
30 avoids litigation.

1 If a patron player, at least in writing, asks to be
2 excluded, and so on, then we ought to recommend that.

3 CHAIR JAMES: At a minimum I think we ought to be able
4 to say that it appears to be working in some places, and make a
5 recommendation that other states consider it.

6 COMMISSIONER MCCARTHY: I want to make the same
7 comment, and forgive me, it is a plus, we ought to do it. But I
8 want to make the same comment that I made this morning when we
9 were talking about posting hot line numbers, which is we need a
10 lot more support and response from gambling facility ownership,
11 within reasonable grounds training of staff, identity of
12 seriously troubled gamblers on a systematic way, program
13 statements of the individual companies.

14 I mean, there is a package here, and we will know a
15 good deal more when we get the casino, the correlating some of
16 the casino questionnaire numbers, so we will know who is doing
17 what, under questions in that, and we will be better prepared to
18 discuss this in just a few days.

19 Again, these are small pieces of what I hope will be a
20 much larger package.

21 COMMISSIONER BIBLE: But what makes it a problem, some
22 of them are difficult, because when you talk about
23 self-exclusion, you are talking about it in terms of the casino
24 context. But if you take a look at, at least the data we have
25 collected, there is an awful lot of pathological gamblers who go
26 to track facilities, who go to lotteries, and other kinds of
27 convenience gaming.

28 So when you start expanding it into those areas you are
29 going to have a much greater enforcement problem.

1 COMMISSIONER LEONE: There is something I don't
2 understand. There are a couple of things that make me uneasy
3 about this idea. But the way this works in Missouri, can
4 somebody just change their mind and say, I changed my mind today,
5 and I want to be taken off the list?

6 COMMISSIONER BIBLE: My recollection is -- I have not
7 looked at that for some period of time, my recollection is you
8 make that an irrevocable election.

9 CHAIR JAMES: Is that the case?

10 COMMISSIONER LEONE: And that shifts the responsibility
11 to the gambling establishment?

12 COMMISSIONER BIBLE: Well, the establishment has some
13 responsibility, but I believe the individual is subject to
14 arrest. The individual shows up, and he gets himself arrested,
15 the gambling facility reports it.

16 If the gambling facility agrees, if you exclude
17 yourself, and a gambling facility is a busy crowded place, and
18 has hundreds and hundreds of people coming through that door,
19 they would have some difficulty picking out one individual coming
20 through out of 100, or 150 people that may be on an excluded
21 list.

22 And there is some individual responsibility. But if
23 you do a transaction where you develop some information about
24 him, the licensee, I believe in Missouri, has the responsibility
25 to inform the authorities who come out and make an arrest.

26 COMMISSIONER MCCARTHY: Incidentally, I think this law
27 grew up from a number of occurrences where problem gamblers, who
28 had lost a great deal, asked to be taken off mailing lists, and
29 they were not, they were not. The letters were lost in the

1 bureaucracy of whichever gambling facility it was, and they did
2 not take them off their computer marketing list.

3 So I think that is what bred this particular law.

4 COMMISSIONER BIBLE: And your recollection is correct.
5 We had some testimony, I believe, down in Mississippi about a
6 snafu within a department where they forgot to take an
7 individual's name off a list, and the marketing department
8 continued to send him promotional literature. Management thought
9 they had taken him off the list, and the individual had not been
10 removed from the list. In fact I believe there is some
11 litigation about it.

12 COMMISSIONER DOBSON: Well, I put it out there and
13 let's see where it goes.

14 COMMISSIONER LEONE: It does make me a little uneasy.
15 It seems like an awfully expensive way to deal with a relatively
16 small number, I would guess, of people.

17 Personally I think we talked about the availability of
18 some share of the tax monies being paid by gambling
19 establishments, a larger share to the problems with pathological
20 gamblers. That makes a lot of sense to me. That seems, to me, a
21 rational way to build into the price the cost, and to discourage
22 people.

23 I don't know enough about this, but I just suspect this
24 would become the focus of a lot of activity, because of all of
25 the potential legal -- like just sitting here thinking about the
26 potential legal ramifications of it, and it seems to me an awful
27 lot of time and effort on behalf of law enforcement, gambling
28 establishments, staff, for what has got to be a relatively small
29 number of people.

1 And I just wonder if this is a sensible allocation of
2 whatever resources are available to deal with the problem. I
3 think this is an extreme situation.

4 I don't know, I guess I'm also a little uncomfortable
5 with the notion that you sort of -- that does seem to me to be a
6 little bit far down the road to try to -- somebody controlling, I
7 mean, somebody controlling their behavior.

8 We have pretty strong protections before you can sign a
9 will, or get committed, and obviously this has been a --

10 COMMISSIONER BIBLE: Well, this one has some
11 protections. It would be helpful for the Commission if the staff
12 would gather, we have some verbatim transcripts when the people
13 from Missouri came and explained how that program worked, and its
14 various components, and --

15 CHAIR JAMES: You have some of that information for
16 him?

17 COMMISSIONER LEONE: You think this is workable,
18 though?

19 COMMISSIONER BIBLE: In Missouri they had a fairly
20 positive experience, but they have a fairly limited basis,
21 because you have gaming that takes place on riverboats, you walk
22 through a single entrance, or two entrances. It is a different
23 type problem, and I would have to go back and take a look at
24 those transcripts.

25 When you get into a broader context, either tribal
26 gaming, or certainly in a lottery outlet, or a regular commercial
27 gaming, you develop some fairly severe policing problems.

28 COMMISSIONER DOBSON: Richard, some people have made
29 the assumption, and others have tried to document the fact that a
30 relatively small number of people account, or a small percentage

1 of the people account for a much higher, a more significant
2 amount of the revenues to gambling institutions, because of the
3 problem in pathological gambling difficulties.

4 Should the institution which benefits from that not
5 have any responsibility to cooperate and attempt to prevent those
6 individuals who want help from overriding their own best
7 interests?

8 COMMISSIONER LEONE: No, I understand. I just, the
9 notion that we are going to get involved in triggering arrests
10 because he signs a document, it is just -- there is an element to
11 it that makes me a little uncomfortable, that is all.

12 I think I -- I guess I'm a little more laissez faire
13 than that. But maybe that is what people need, I don't know,
14 maybe that is what they need, and maybe the only agency that can
15 perform the function is a private business that sells gambling.

16 But it does seem to me, probably the sort of thing that
17 would lead to elaborate guidelines, and legal protections for
18 everybody involved, and then maybe the person would go next door
19 to another casino.

20 It just seems like it would be very expensive, and I
21 don't know if the payoff is going to be worth it. But that is
22 probably -- this is, obviously, something that I think might be
23 an interesting model to look at.

24 I don't know anything about the programs in --

25 COMMISSIONER BIBLE: And it is a fairly new program,
26 but apparently it has grown considerably since I looked at it.

27 COMMISSIONER LEONE: I'm just saying show me.

28 COMMISSIONER DOBSON: Can we get that information?

29 CHAIR JAMES: Yes, we've already asked. Jim, you said
30 you had another --

1 COMMISSIONER LEONE: I want a sign a paper like that
2 about being on a Commission like this one.

3 (General laughter.)

4 COMMISSIONER DOBSON: My wife has already made me sign
5 that.

6 The second falls more in the area of a question for the
7 views of the other Commissioners, as to whether or not the
8 percentage of revenues that are derived from a, I suppose,
9 casinos or gambling institutions, should be reported, the
10 percentage that comes from pathological and problem gamblers
11 should be reported to a state agency.

12 We continually hear we don't have information, we don't
13 have facts. And, obviously, you would be recommending that each
14 state have its own patron survey, or some kind of sampling
15 technique to determine that information.

16 But that would be generated as a way of informing the
17 public, and of increasing our knowledge about those two
18 categories of gamblers.

19 COMMISSIONER WILHELM: How would you figure that out?

20 COMMISSIONER DOBSON: The same way we did with our
21 patron survey.

22 COMMISSIONER WILHELM: Except we couldn't.

23 COMMISSIONER DOBSON: We did.

24 COMMISSIONER WILHELM: No.

25 COMMISSIONER DOBSON: There is a difference of opinion
26 on that.

27 COMMISSIONER WILHELM: Right.

28 COMMISSIONER DOBSON: That credible research
29 organizations would be asked to develop sampling techniques to

1 estimate the percentage of people in those, the patrons of those
2 institutions, and the amount of money that they spend.

3 COMMISSIONER WILHELM: I'm not an expert on this, but
4 based on our experience in this Commission with the research, I
5 would suspect that to get any kind of reliable information about
6 lotteries, about casinos, about tracks, etcetera, etcetera, would
7 be phenomenally expensive.

8 I frankly don't see how that would be a worthwhile
9 expenditure of money.

10 COMMISSIONER LEONE: Let me just throw in one thing,
11 and I draw a sharp distinction here between people who go to
12 private establishments and spend a lot of money gambling or
13 flying to Las Vegas, etcetera.

14 I think that is a personal choice that people are going
15 to spend more of their incomes, than others. I do think that
16 there is -- one of the things I was thinking about the other day,
17 was in terms of state revenues, the fact that 51 percent of the
18 revenues come from 5 percent of the lottery players, if you try
19 to design a tax that did that, it would probably have to be a
20 tax, it probably be -- that is even more skewed than capital
21 gains would be.

22 And it would create an outcry about the inequity of
23 that tax. And if then matched that up with income, which I
24 actually think could be done with research, I think you could
25 show that the lottery impact is much more regressive than anybody
26 thought, and the argument of whether the lottery is a tax or not.

27 But half of the money goes to the state, and that is
28 clearly something they ought to address. And I frankly think
29 that public education about that could lead to some political
30 turmoil, and outcomes.

1 I think it is a different matter if only five percent
2 of people want to go to casinos and spend a lot of money. But if
3 the state is raising money from such a small base, I don't think
4 the public realizes that. I think the people who are
5 contributing all of that might think differently about it. And I
6 also think the inequity of it, and the necessity to maybe address
7 it to become clearer.

8 So I don't want to change the topic from what Jim was
9 bringing up, but I do think that more research about who those
10 people are, and we have some information, and what other taxes
11 they pay, and other things, that could be an interesting point to
12 get out.

13 CHAIR JAMES: Jim, does this not fit in with the
14 conversation that we had yesterday in looking at the appropriate
15 role of the federal government when we talk about the fact that
16 there was certain information collection that would be helpful,
17 some coming in to the Commerce Department, some coming in HHS,
18 with questions that would be added to the household survey so
19 that we could begin to build a data base to make effective public
20 policy decisions?

21 COMMISSIONER DOBSON: Perhaps so, and maybe that is a
22 better way to get at it. It seems to me that there is so little
23 information, and so little effort that is going into that, the
24 question of who these people are, and what they spend, and the
25 impacts of it.

26 I just really feel like we ought to design some kind of
27 recommendation that would approach it.

28 COMMISSIONER MCCARTHY: I think there will be a number
29 of specific recommendations on future research that will come in.
30 Really, we are talking about two categories here, involving the

1 national institutes would be relaying research on gambling,
2 perhaps, with the research they may be doing in alcohol abuse,
3 and substance abuse areas, which are very well funded, and so it
4 is logical, with the degree of co-morbidity, that you could fit
5 into some of that research.

6 But I think what Jim has proposed, doing patron surveys
7 so we have some undeniably accurate information from that, and
8 again, on all major gambling sectors, particular casinos and
9 lotteries, I think that is going to have to be done separately,
10 and itemized separately.

11 And the only thing I would really strongly differ with
12 what Jim said is to propose doing that state by state may not
13 make any sense, because you get a number of states not agreeing
14 to do it, and you get some other states that would, and it would
15 be attacked as invalid because it is spotty, and particular
16 circumstances in this or that state. It has to be done on a
17 national basis, it has to be done --

18 CHAIR JAMES: Yes, that was one of the things we
19 discussed yesterday.

20 COMMISSIONER MCCARTHY: On patron surveys?

21 CHAIR JAMES: Well, we discussed research at the
22 federal level.

23 COMMISSIONER MCCARTHY: I absolutely agree with that.
24 There is a number of areas where existing federal agencies can
25 help us in research, and that has to be one of the strongest
26 statements we make in this report.

27 But on the patron survey none of them, well we will
28 ask. I don't think any of them will be established to do that,
29 but it has to be done on a national basis.

1 Now, whether it is federally funded, or foundation
2 funded, I don't know. It will have greater credibility if it is
3 federally funded, but it should be done on a national cohesive
4 basis, not state by state.

5 CHAIR JAMES: Paul?

6 COMMISSIONER MOORE: Well, I was just going to say, you
7 know finding out these things, we just spent about half of our
8 budget studying pathological gambling, and we came out with so
9 many different figures we didn't know which one to use.

10 And also in that survey didn't we have a question and
11 asked how much money do you spend a year? And then we took the
12 percentage of pathological gamblers and multiplied it. It seemed
13 to me like simply to come up with some of that takes a long time,
14 and --

15 COMMISSIONER LEONE: I think the NORC people,
16 specifically, warned against doing that, warned me against doing
17 that.

18 COMMISSIONER DOBSON: You are talking about social cost
19 estimates now?

20 COMMISSIONER DOBSON: Spent per institution, per
21 casino. From the beginning what percent of the total revenue in
22 a casino came from pathological gambling and problem gambling? I
23 would really like to know that.

24 COMMISSIONER MOORE: That number has been thrown around
25 somewhere.

26 COMMISSIONER BIBLE: I don't recall that.

27 COMMISSIONER WILHELM: He is quite right, it wasn't
28 thrown around.

29 COMMISSIONER BIBLE: Yes, nothing with any substance.

1 CHAIR JAMES: With that, John, can I ask you if you
2 would summarize where you think -- how about this? Instead of
3 summarizing any consensus why don't you just tell us what you
4 have at this point, and what you expect to get, and where do you
5 see this chapter going.

6 DR. SHOSKY: Well, we began by talking about the
7 treatment programs, and there was much discussion about that.
8 Getting information from various sources, National Council of
9 Problem Gambling, elsewhere, on a wide variety of things, about
10 how many people are reached, how many people are successfully
11 treated, percentages of dollars that are spent, you know, things
12 like that.

13 And then there was discussion about getting the
14 specific percent of revenues allocated for treatment and
15 prevention and research. As well disbursement of funds from the
16 industry for this, and also to find some way to involve the state
17 health departments, and other state agencies in all of this.

18 Mentioning about, also, lottery contributions for
19 treatment; need more research, that is mentioned several times,
20 in several different ways. And we also need more information on
21 education programs, and National Council on Problem Gambling,
22 evidently, is providing some of that.

23 We applauded the industry in their enlightened
24 self-interest, but that can only go so far. What we should,
25 also, do is try to get more research money from private
26 foundations for research, and also from government and other
27 sources.

28 There was a mention that there is no academic interest
29 at the moment in this, but that maybe we could generate some. We
30 should generate interest from non-profits.

1 Then we talked about the self-exclusion policy, much
2 discussion here. Some states have self- exclusion policies,
3 Missouri, Louisiana. We are getting information about the
4 success of those programs, and we may want to encourage other
5 states to do the same thing.

6 There is technology that we can utilize to do that,
7 computer equipment, maybe even player cards, you know, things
8 like that, in order to be able to find out who should consider
9 themselves a problem or pathological gambler, and maybe work that
10 into self- exclusion in some way.

11 Let's see, what else? We should do more support in
12 research. There was much discussion about the efficacy of this,
13 whether this would be a good allocation of resources, and let's
14 see, small amount of people account for a significant amount of
15 gambling revenues. Maybe these are people who should be
16 contacted by institutions, maybe they need help.

17 Elaborate guidelines, there was discussion about the
18 percentage of revenue from pathological gamblers should be
19 reported to state agencies, but we are not quite sure how to
20 figure that out yet.

21 We need credible research organizations to estimate the
22 percentage of problem pathological gamblers and we need to figure
23 out how that money would be allocated.

24 There is, again, the study issue which I presume we
25 would shift over, in some way, to the study chapter. Much
26 discussion about the research that we have coming in. There is a
27 claim that existing federal agencies should be able to help us
28 gather more of this information. And even having said all that,
29 and with all the studies that we have, we are still not quite
30 sure about the numbers.

1 COMMISSIONER MCCARTHY: Well, the last bit on the
2 numbers, I appreciate there was a comment like that. I'm very
3 certain about the numbers, about a number of the numbers that
4 have been produced in these reports, and I think we can be
5 confident in relying upon them, such as the estimates of
6 pathological and problem gamblers.

7 So I would hate to have that stand in the record. We
8 can argue about certain interpretations, but I think we have done
9 an excellent piece of work on the research done by NORC, and the
10 NRC, and Cook & Clotfelter.

11 I feel very strongly about that, despite efforts to
12 diminish the importance of the research that they have done.

13 COMMISSIONER WILHELM: I would, just for the record,
14 concur with that. And I have said it, because I know people have
15 argued about two particular aspects of these numbers. But,
16 overall, I completely agree with Leo's statement.

17 COMMISSIONER BIBLE: One thing I don't want to lose
18 track of when you talk about treatment, is the National Council
19 gave me some information on insurance coverage practices of the
20 states, and I think that is an important component to leave on
21 the table to talk about.

22 CHAIR JAMES: With that I'm going to call for a five
23 minute break, and we will come back and deal with adolescent
24 gambling.